

Message Text

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TAGS: OCON, FAO

SUBJ: FAO: 36TH SESSION OF INTERGOVERNMENTAL GROUP ON COCOA

/SUMMARY./ CCP COCOA STATISTICS SUBGROUP DEVELOPED FORECAST OF WORLD COCOA CONSUMPTION AND PRODUCTION FOR 1975 AND AGREED TO RECOMMEND TO CCP THAT GROUP MEET IN MARCH 1975 IN LONDON SIMULTANEOUSLY WITH INTERNATIONAL COCOA ORG. THIS WOULD BE FINAL MEETING OF GROUP UNLESS ICCO STATISTICAL PUBLICATION UNSATISFACTORY.

1. /STATISTICAL FINDINGS/ - SUBGROUP ON STATISTICS OF CCP COCOA IG IN ROUND TABLE DISCUSSION DEVELOPED FORECAST OF 1470 THOUSAND METRIC TONS PRODUCTION 1974/1975 CROP YEAR AND 1401 THOUSAND METRIC TONS CONSUMPTION (GRIND) FOR CALENDAR 1975. ALL MAJOR COCOA PRODUCERS REPRESENTED WITH EXCEPTION IVORY COAST AND NIGERIA. ALL MAJOR COCOA CONSUMERS REPRESENTED WITH EXCEPTION USSR. RINSED FIGURES FOR 1972-73 AND 1973-74 PRODUCTION 1406 THOUSAND AND 1435 THOUSAND RESPECTIVELY. RINSED FIGURES FOR 1973 AND 1974 CONSUMPTION 1451 THOUSAND AND 1401 THOUSAND RESPECTIVELY. CONTINUING DECLINE IN CONSUMPTION ATTRIBUTE TO HIGH PRICE COCOA AND HIGH PRICE AND LIMITED AVAILABILITY SUGAR TO SOME CONSUMERS. NO MENTION MADE OF COCOA SUBSTITUTES.

2. /FUTURE PRODUCTION PLANS./ LT. COL. TAKYI, IN DUAL CAPACITY AS HEAD COCOA PRODUCERS ALLIANCE (CPA) AND CHIEF EXECUTIVE

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COCOA MARKETING BOARD SPOKE AT LENGTH ON GHANIAN EFFORTS TO

EXPAND COCOA PRODUCTION, INCLUDING INCREASED PURCHASE PRICE, PRODUCTION BONUS, EXEMPTION OF COCOA FARMERS FROM TAXES, SUBSIDIZED SPRAYS AND IMPROVED ROADS. GHANA IS INVITING CONSUMER GROUPS TO VISIT COCOA PLANTATIONS. UK GROUP VISITED VERY RECENTLY AND OTHER EUROPEAN GROUPS WILL VISIT BEFORE END OF YEAR. CAMEROON AND TOGO REPS ALSO REPORTED ON EFFORTS TO EXPAND PRODUCTION THROUGH INTENSIVE GOVERNMENT EFFORTS. ALL THREE PRODUCERS MENTIONED PROBLEM CAUSED BY INCREASED PRICE PETROLEUM AND PETROLEUM-BASED PRODUCTS SUCH AS SPRAYS AND PLASTIC PARTS FOR SPRAYERS.

3. /IN-DEPTH STUDY OF COCOA ECONOMY./ IN DISCUSSION FUTURE PROSPECTS, VITON, (ACTING DIRECTOR, FAO COMMODITIES AND TRADE DIVISION) REPORTED COCOA PRICE HIGHEST IN REAL TERMS SINCE 1954 AND MAY EXCEED 1954 BEFORE END OF YEAR. VITON THEN JUMPED SEVERAL AGENDA ITEMS TO MAKE STATEMENT DESIRABILITY NEW, THROUGH AND DETAILED STUDY OF WORLD COCOA ECONOMY. HE REPORTED THIS BEING PLANNED BY STATISTICS COMMITTEE OF INTERNATIONAL COCOA ORGANIZATION. (ICCO). ICCO WILL MEET LONDON OCTOBER 28-29 TO DISCUSS PROGRAM AS DESCRIBED ICCO DOC. STC/7 EX/66. VITON EMPHASIZED AND RE-EMPHASIZED IMPORTANCE THIS STUDY AND OF FAO PARTICIPATION. US DEL RECALLED UNHAPPY EXPERIENCE WITH TRIPARTITE COFFEE STUDY, REQUESTED SEVERAL TIMES TO KNOW BUDGETARY IMPLICATIONS FOR FAO AND STATED HE UNINSTRUCTED THIS MATTER. VITON GAVE EVASIVE AND CONFUSING ANSWER, SAID US APPROVAL NOT REQUIRED BECAUSE PROJECT ALREADY IN FAO 1974/75 BUDGET BUT ALSO SAID HE HAS NOT YET DISCUSSED MATTER WITH FAO DIRECTOR-GENERAL. US RESPONDED THAT NO PROBLEM WITH NORMAL FAO STATISTICAL COOPERATION OR WITH PROGRAM ALREADY IN BUDGET. UK DEL LATER TOLD US DEL THEY ALSO CONCERNED POSSIBLE COST AND WILL CONSIDER FULLY AT OCTOBER 28-29 MEETING WHICH US WILL ATTEND AS OBSERVER.

/ACTION RECOMMENDATION/

LONDON SHOULD BE AWARE NEITHER US NOR FAO COCOA STATISTICS SUBGROUP AS A WHOLE HAVE SUPPORTED USE OF ADDITIONAL FAO RESOURCES FOR COCOA STUDY. SINCE STUDY BEING PLANNED PURSUANT TO SPECIFIC ARTICLE COCOA AGREEMENT, SUPPORT SHOULD COME PRIMARILY FROM ICCO.

4. /SEMINAR ON COCOA GRADING./ VITON REPORTED THAT NO PROGRESS
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HAD BEEN MADE ON PROPOSAL BY NIGERIA AND BRAZIL TO HOLD A SEMINAR ON GRADING. SPOKESMAN FOR CPA STATED PRODUCERS WILL DISCUSS AT JANUARY MEETING AND ADVISE VITON WHETHER PRODUCERS CAN FUND SEMINAR AND KIND OF COOPERATION DESIRED FROM FAO. UK DEL STATED THEY MUCH INTERESTED AND UK COCOA TRADE OFFER OF FINANCIAL ASSISTANCE REMAINS OPEN.

5. /REPORT ON CODES/ VITON INTRODUCED HUTCHINSON FROM CODEX

SECTION FAO WHO REPORTED ON DISAGREEMENT AT JULY MEETING CODEX COMMISSION OVER PROPOSED COCOA STANDARDS. EVIDENTLY, NUMEROUS PROBLEMS WERE RAISED, RANGING FROM HEAVY METAL CONTENT TO MOISTURE CONTENT TO MOLD CONTENT TO DEFINITION INSECT DAMAGED BEANS. GHANA STATED MODEL ORINANCE SHOULD BE REVIEWED. PROCEDURAL DISCUSSION FOLLOWED AS TO WHETHER THIS WORK SHOULD BE DONE BY CODEX GROUP OR BY SUBGROUP ON GRADING OF CCP COCOA IG WHICH VITON STATES STILL IN EXISTENCE ALTHOUGH LAST MEETING HELD IN 1968. OUTCOME UNCLEAR BUT POSSIBLE VITON WILL ATTEMPT CONVENE MEETING OF GRADING SUBGROUP EARLY 1975. NO QUESTION THAT PRODUCERS ARE UNWILLING ACCEPT PRESENTLY PROPOSED STANDARDS BECAUSE OF QUANTITY OF BEANS WHICH WOULD NOT MEET STANDARDS FOR INTERNATIONAL TRADE. ALSO STATED THAT US NEEDS WOULD NOT BE MET BECAUSE NO PROVISION MADE FOR TRADE IN UNFERMENTED BEANS.

6. /ADMINISTRATIVE MATTERS./ CHAIRMAN (E.K. GYASI, GHANA) AND VICE CHAIRMAN (C. DEL BOCAAN SWITZERLAND) WERE REELECTED. AFTER DESCRIPTION BY ICCO REP (SEFIA) OF PREPARATIONS UNDERWAY FOR COMMENCING PUBLICATION STATISTICS IN NOVEMBER, SUBGROUP AGREED TO RECOMMEND TO CCP THAT FAO PUBLISH ONLY ONE MORE ISSUE, FOR FOURTH QUARTER 1974. THIS WOULD PERMIT COMPARISON TWO ISSUES - FAO AND ICCO PUBLICATION. FAO DIRECTOR-GENERAL SHOULD BE REQUESTED CONVENE SUBGROUP IN LONDON IN MARCH WHEN ICCO WOULD ALSO BE IN SESSION, SINCE ALL COUNTRIES MEMBERS OR OBSERVERS BOTH GROUPS. UNLESS ICCO PUBLICATION UNSATISFACTORY, SUBGROUP WOULD DECIDE AT MARCH MEETING TO DISCONTINUE FAO PUBLICATION AND TO ASSUME DORMANT STATUSAN SUBJECT TO CCP ACTION. THIS WAS COMPROMISED BETWEEN GHANA PROPOSAL TO CONTINUE ADDITIONAL YEAR AND UK PROPOSAL TO DISCONTINUE FAO SUBGROUP IMMEDIATELY BUT VOICING MISGIVINGS BECUASE ICCO AGREEMENT HAS ONLY THREE-YEAR TERM. TERM SOF AGREEMENT DESCRIBED TO MEETING BY US DEL AFTER BRIEF INFORMAL DISCUSSIONS WITH GHANA, UK, FRG, SWITZERLAND, UNCLASSIFIED

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SEFIA UK (CUTLER) ACTING IN DUAL CAPACITY AS UK DEL AND CHAIRMAN ICCO STATISTICS COMMITTEE. PLEASE NOTE RESULT THIS DECISION NOT ONLY CESSATION FAO PUBLICATION BUT ALSO DISCONTINUANCE FAO ANNUAL FORECASE PRODUCTION AND CONSUMPTION. VITON POINTED OUT FAO WOULD CONTINUE NORMAL WORK OF REVIEWING COCOA ECONOMY ON SAME BASIS AS FAO PUBLISHES ANNUAL REVIEW ALL AGRICULTURAL COMMODITIES.VOLPE

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